Title: Need to give special financial assistance to the Government of Andhra Pradesh to enable the State Government to write off the loans and interests of farmers with small and medium land holdings.- Laid.

SHRI SURAVARAM SUDHAKAR REDDY (NALGONDA) : Sir, a large number of farmers committed suicides in Andhra Pradesh due to heavy debts. For the last four years, there is drought and famine in several parts of Andhra Pradesh. There is no remunerative price for the produce. Institutional loans through banks and co-operative societies are not enough to meet the needs of the peasants. Only 25 per cent of the needs of the peasantry for agricultural investment could be met from the banks and societies. The peasants are forced to go for private loans for which the interest rates are exorbitant.

The new State Government has announced an *ex gratia* of Rs. 1.50 lakh to the families of those peasants who committed suicides. It is a good gesture, but this will not relieve the peasants of the debt burden. In these circumstances, the Union Government should come out with a special assistance of Rs. 1,000 crore to Andhra Pradesh Government to enable them to write off the loans and interest of small and middle peasantry. Further, new loans for investment should be offered to peasantry.

I request the Union Government to look into the matter.

MR. SPEAKER: Shri M. Ramadass.

â€¦.. (*Interruptions)*